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5 February 1958

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CENTRAL INTELLIGENCE BULLETIN



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DAILY BRIEF

I: THE COMMUNIST BLOC

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*Soviet offer to Jordan: The USSR may be attempting a significant expansion of its peaceful coexistence campaign among pro-Western Arabs. According to King Hussayn, Moscow proposed to Jordan on 30 January that diplomatic relations be established as soon as possible. In any case, the USSR is ready to furnish Jordan with unconditional technical and economic aid in whatever amount it requires. Hussayn indicated he will block any further discussion with the USSR and will warn King Saud that he may be subject to a similar approach in a forthcoming visit of the Soviet ambassador in Syria.

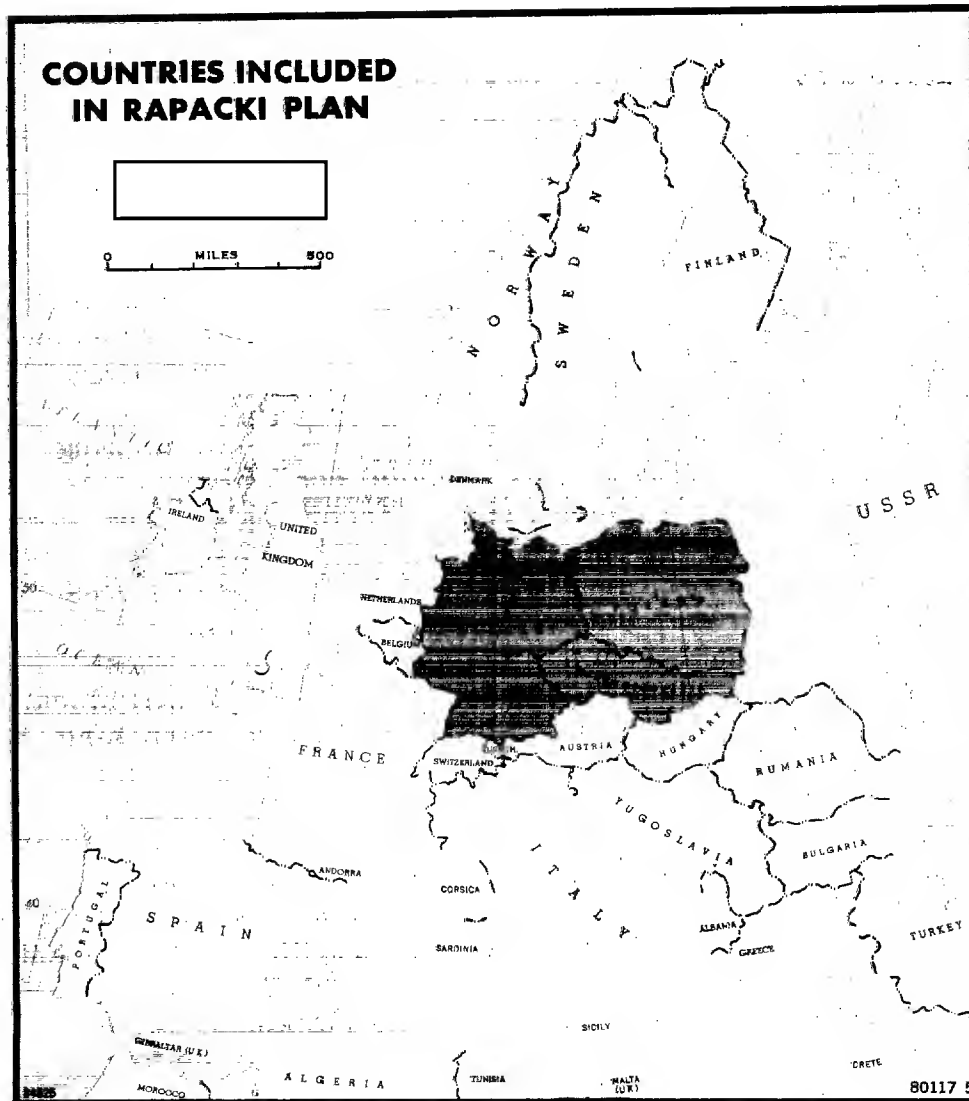
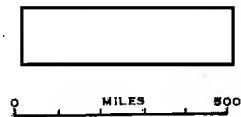
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Rapacki plan: Polish Deputy Foreign Minister Winiewicz has indicated that Poland will soon act with "serious intent and a minimum propaganda display" to elaborate control procedures for the Rapacki plan. He claimed that the Soviet Union has agreed to confine the plan to the four Central European countries originally named. These decisions were reached during the recent Moscow talks between the Soviet and Polish foreign ministers, which Winiewicz said were called on Polish initiative.

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**COUNTRIES INCLUDED
IN RAPACKI PLAN**



760

Communist China: Under the 1958 economic plan presented to the National People's Congress on 3 February, the nation's industrial production is to increase 14.6 percent and investment is to jump to record levels. The plan is heavily oriented toward industry. Budgetary allotments for agriculture are increased 40 percent, and agricultural output is to increase 6 percent, double the annual rate achieved during the last five years. (See chart on reverse)

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*Syrian-Israeli border tension: Israeli troop movements along the Syrian border on the afternoon of 4 February may be preliminary to a new serious incident. These movements were preceded by occupation of a portion of the northern Israeli-Syrian demilitarized zone by Israeli combat engineers, supported by four armored cars and about 60 border police equipped with automatic weapons. The Israelis have refused to obey an order to withdraw by the chairman of the Israeli-Syrian Mixed Armistice Commission,

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DAILY BRIEF

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CHINESE COMMUNIST ECONOMIC GOALS

<div></div>	1957 RESULTS	1958 TARGETS
STEEL MILLION METRIC TONS	5.24	6.248
COAL MILLION METRIC TONS	128.6	150.7
ELECTRIC POWER BILLION KW-HR	19	22.5
FOOD GRAIN MILLION METRIC TONS	185	196
COTTON MILLION METRIC TONS	1.64	1.75

5 FEBRUARY 1958

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Iran: Internal dissatisfaction with the Shah of Iran's determined personal rule persists. [redacted]

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25X1 *no* [redacted] for some time public opinion has been swinging away from the Shah and the United States, that the Shah's attitude toward the USSR is softening, and that there is, therefore, danger he will accept large-scale Soviet aid. [redacted]

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III. THE WEST

GR Peru: The Prado government's second suspension of constitutional guarantees in a five-month period reflects the increasing difficulties which beset its 18-month-old attempt at democratic rule. The present move, which was prompted by a police strike for higher pay, indicates the seriousness of popular discontent over economic conditions. [redacted]
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LATE ITEM

25X1

*Sino-Burma border dispute: Burma and Communist China have reached "final" agreement on disputed sectors of the frontier, [REDACTED]

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[REDACTED] Burmese Ambassador Hla Maung was reported returning to China sometime this week to prepare an early joint statement for public release, perhaps when Burmese Deputy Prime Minister Ba Swe visits Peiping in March. Peiping has long been unwilling to reach a definitive settlement, and in the past has parried persistent Burmese efforts to achieve this objective. Any agreement reached at this time would probably be in general terms only; protracted negotiations will probably be necessary before the frontier is fully and precisely defined. [REDACTED]

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I. THE COMMUNIST BLOC

Soviet Offer to Jordan

The USSR may be attempting a significant expansion of its peaceful coexistence campaign among pro-Western Arabs. According to Jordan's King Hussayn, Moscow proposed that diplomatic relations be established as soon as possible, and that in any case, the USSR is ready to furnish unconditional economic and technical assistance in whatever amount Jordan may require. Hussayn indicated he will block further discussion on the initiative, which is contained in an undelivered note from Premier Bulganin. The Soviet ambassador in Lebanon was refused a visa on 30 January when he asked to deliver the note personally, but he outlined the contents.

The Soviet ambassador in Syria had requested an audience with King Saud earlier in January. Hussayn stated that Saud had granted the ambassador permission to come to Saudi Arabia and that he would warn Saud about the possible nature of the approach. A Saudi Foreign Ministry official said on 28 January that "messages" from Bulganin had been received from Saudi Embassies in both Cairo and Beirut.

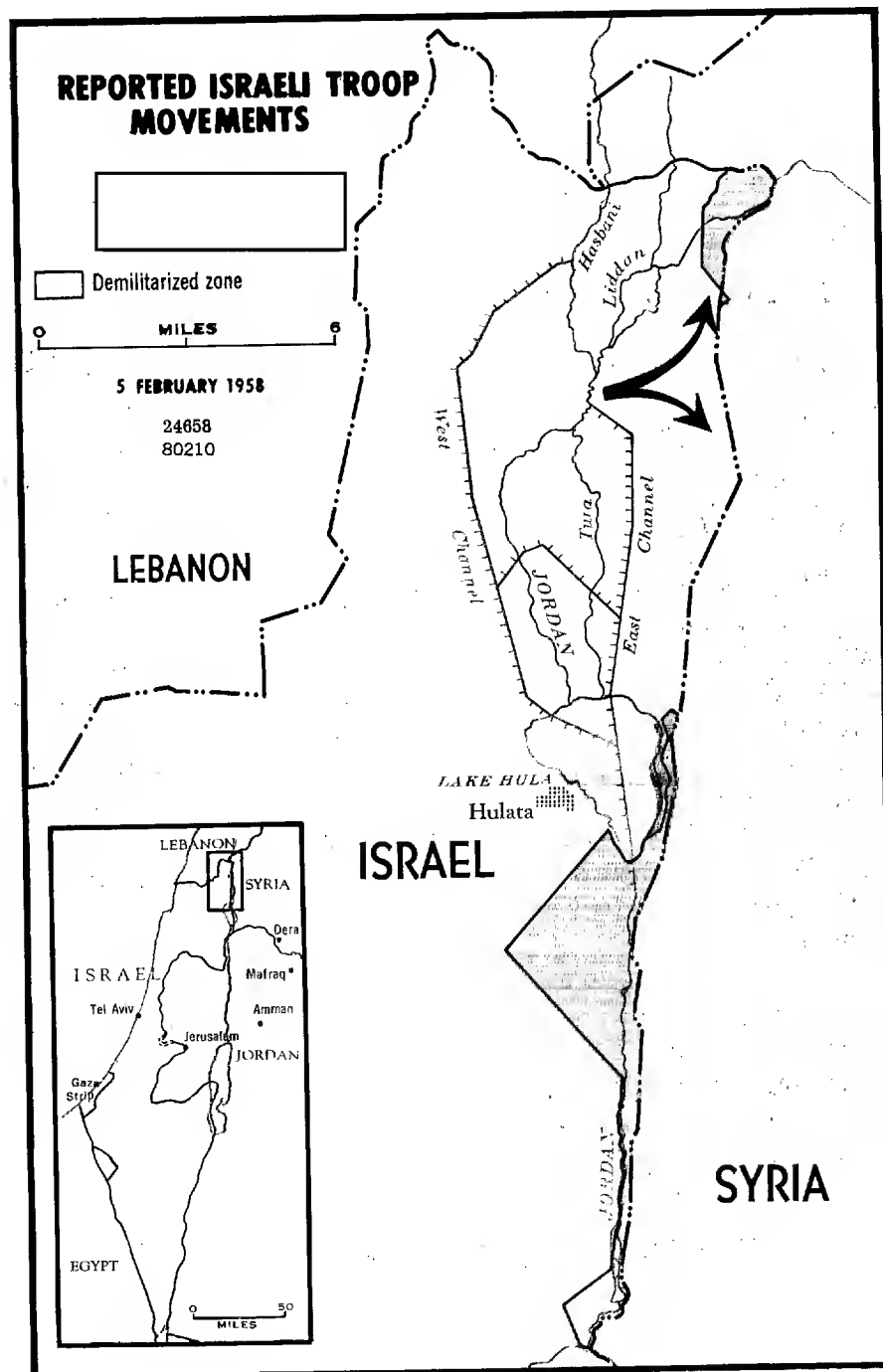
Moscow may feel that the pro-Western Arab states have been weakened by the announced Syrian-Egyptian unity and that they can be won over to normalized relations by the "showcase" aid agreements concluded with Egypt and Syria. Pravda said on 22 December that the USSR is ready to develop economic relations with Lebanon, Saudi Arabia, Iraq, the Sudan, and other Arab states, declaring that the Egyptian and Syrian aid agreements exemplify a "completely new form of relations between a great power and countries of the East."

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Israeli Troop Movements Along Syrian Frontier

Israeli troop movements on the afternoon of 4 February opposite the center of the Syrian front have been reported [REDACTED]

[REDACTED] These movements were preceded earlier in the day by occupation of a portion of the northern demilitarized zone along the border by Israeli combat engineers supported by four armored cars and about sixty border police equipped with automatic weapons. A large number of Israeli officers were previously observed in the area, and wire is being strung. Israel has refused an ISMAC order to withdraw, and Syria has cabled a protest to the UN Security Council.

This latest Israeli effort to assert sovereignty over the demilitarized zones, following a clash in the same area on 28 January, may be intended to provoke Syrian opposition and thus create a pretext for an attack on Syrian military positions. The Israeli troop movements come at a time when the Syrian Army is also confronted with internal security problems resulting from union with Egypt. [REDACTED]

[REDACTED]

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Shah of Iran's Personal Rule Increasing Internal
Dissatisfaction

For some time public opinion in Iran has been swinging away from the Shah and the United States amid increased internal dissatisfaction brought about by the Shah's determined personal rule, [REDACTED]

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[REDACTED] Even patriotic elements in the country are now unable to express moderate criticism of the Shah's policy. The Iranian National Information and Security Agency has "terrorized" all elements with its authority to make arrests without reason. [REDACTED]

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[REDACTED] there is considerably less freedom in Iran than under former Premier Mossadeq and that the present cabinet is powerless. Businessmen feel the necessity of coming to terms with the corrupt group surrounding the Shah. [REDACTED] the Shah's softening attitude toward the USSR poses a danger of Iran's accepting large-scale Soviet aid.

III. THE WEST

Unrest Increases in Peru

The Peruvian Government's suspension of constitutional guarantees on 2 February, for the second time in five months, was prompted by a police strike for higher pay, a symptom of serious popular discontent over rising living costs. The underlying economic deterioration has been caused by falling prices for mineral exports and reduced agricultural production. Expectation that the recent devaluation of the currency will drive prices still higher has led to increased pressure for wage rises.

The President's move also reflects the increasing political difficulties which beset Peru's 18-month-old attempt at democratic government. A small-scale army plot which was frustrated on 24 January, student rioting during the same week, and threatened strikes of taxi drivers and miners indicate increasing popular unrest. The American army attaché in Lima comments that although the previous suspension of guarantees restored order, there is some doubt that the present action will settle the police difficulties.

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III. THE WEST

Peru: The Prado government's second suspension of constitutional guarantees in a five-month period reflects the increasing difficulties which beset its 18-month-old attempt at democratic rule. The present move, which was prompted by a police strike for higher pay, indicates the seriousness of popular discontent over economic conditions. [REDACTED]
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DAILY BRIEF

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